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FRANK KNIGHT'S MIXED LEGACY

Selected Essays by Frank Knight

VOL. 1, "'WHAT IS TRUTH' IN ECONOMICS?" XXIV + 406 PGS.
VOL. 2, "LAISSEZ-FAIRE: PRO AND CON," VI + 459 PGS.
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Frank Knight complicates things in interesting ways. He first argues for a free economy in a way that Austrians can only applaud. After making an incisive case for classical liberalism, he next raises objections (in my view mostly wrongheaded) that threaten to undermine his own case.

But he is not yet finished. After setting forward his objections to the market, he in turn raises problems about attempts to respond through state action to these same objections. Knight ends up, to an extent difficult to specify exactly, as a chastened supporter of the market. It is not the "best" social system: rather it is the "least bad" arrangement.

Knight succinctly presents the basic principle on which classical liberalism depends: "[A]ll relations

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between men ought ideally to rest on mutual free consent, and not on coercion, either on the part of other individuals or on the part of the 'society' as politically organized in the state. The function, and the only ideally right function, of the state . . . is to use coercion negatively, to prevent the use of coercion by individuals or groups against other individuals or groups" (vol. 2, pp. 4–5, emphasis removed).

The principle, *prima facie*, has considerable force. Why should you not be allowed to act, as you think best, so long as you do not violate the rights of others? Who among us qualifies as a moral dictator, able to coerce people into doing what he deems best for them?

Further, the principle seems desirable on grounds of utility. If two or more persons freely consent to an exchange, we know that, as each sees matters, his utility has risen. Freedom of exchange guarantees an increase in welfare. With coercive exchange, by contrast, we can make no such claim. The utility increase of the supporter of coercion cannot be measured against the decrease to the loser.

But is not this happy picture vulnerable to objection? If external economies or diseconomies exist, voluntary action by individuals in the market, it has been alleged, does not maximize utility. Knight has little patience with this argument. The claim that a market inefficiency exists assumes that the external good (or public good, as we would now say) is not owned.

But why make this assumption? In his classic article, "Some Fallacies in the Interpretation of Social Cost," Knight demolishes an example, devised by A.C. Pigou, of "excessive" investment in roads. Professor Pigou's assumptions, Knight charges, "diverge in essential respects from the facts of real economic situations. The most essential feature of competitive conditions is reversed, the feature namely of the private ownership of the factors practically significant for production. If the roads are assumed to be subject to private appropriation and exploitation, precisely the ideal situation, which would be established by the imaginary tax, will be brought about through the operation of ordinary economic motives" (vol. 1, p. 97). Knight's article, incidentally, anticipated by some thirty-five years the famous article by R.H. Coase, "The Problem of Social Cost," which makes a similar point.

Nor were Knight's arguments confined to arcane issues of high theory. He had no patience with attempts to raise wages beyond the free-market rate. "There is no sense in minimum-wage laws apart from provision for supplying the prescribed income in some other way, and this would make any prohibitive measures superfluous. And

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the only discoverable reason for existence of large national unions is to coerce the public, rather than the employers. . . . It is simply impossible for all labor to benefit significantly at the expense of all employers" (vol. 2, p. 354).

On yet one more issue, Knight's position resembles Austrian doctrine, though here his views have often been misunderstood. According to the standard picture, Knight rejected Mises's calculation argument against socialism. By contrast with Mises, Knight viewed socialism as a purely political issue.

Closer examination shows that Knight fully agreed with the vital core of Mises's argument.

Closer examination shows that Knight fully agreed with the vital core of Mises's argument. A socialist economy faces exactly the same problems as a capitalist system, and these it can attempt to solve only through managers of firms. But socialist managers cannot adequately cope with changing conditions. In a neglected footnote, Knight makes his position entirely clear: "Thus the contention of Professor von Mises . . . that there would be no objective rationale for the organization of production under socialism, while adequately refuted by Professor Lange (and others) for the routine operations of a stationary economy, is after all essentially correct for the really serious problem of organization. This is the problem of anticipating substantial changes in the given conditions of economic life" (vol. 2, p. 105).

Knight has failed to note that Mises did not intend his argument to apply to a stationary state: in *Human Action*, he dismisses attempts to solve the calculation problem via differential equations, just because these equations hold true only in a stationary state (Mises Institute, 1998, pp. 706–11). Knight, then, contrary to his own belief, is a full Misesian on the argument.

One can thus quite easily construct a full-fledged Knightian defense of the free market. Unfortunately, Knight himself did not know when to call a halt to an argument. He thought that various considerations weakened, if they did not rule out of court altogether, the case for laissez-faire.

One of these difficulties has a familiar ring. The rewards individuals obtain in the market depend, to a large extent, on their natural abilities. Since I lack the talent Michael Jordan has to shoot baskets, or talents that the market values comparably, I am doomed to make far less money than he. Is this situation unfair?

Knight answered yes. We do not gain our talents because we morally deserve them: we are born with them, or somehow acquire them through our environment. To make our fortunes depend on such arbitrary affairs as talents, Knight holds, offends against both morals and aesthetics.

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Any student of political thought who hears this argument will at once say to himself, "John Rawls." An entirely Knightian argument lies at the heart of *A Theory of Justice*. And, indeed, if one turns to that fabled tome, one encounters the following: "No one supposes that when someone's abilities are less in demand or have deteriorated (as in the case of singers) his moral deservingness undergoes a similar shift. All of this is perfectly obvious and has long been agreed to . . . it is one of the fixed points of our moral judgments that no one deserves his place in the distribution of natural assets" (J. Rawls, *A Theory of Justice*, Harvard, 1971, p. 311). A footnote to this passage cites Knight.

If the market is imperfect, the state is even worse.

I regret to report, then, that Knight bears at least partial responsibility for the principal antimarket argument of our time. But unlike his epigone Rawls, Knight continues to raise complications. Although, in terms of ideal justice, we do not deserve the rewards we get in the market, it does not follow that the state should alter matters through a principle of radical social reconstruction.

If the market is imperfect, the state is even worse. What grounds do we have to think that power-hungry politicians can achieve a more equitable outcome than the free market? Knight puts the essential point eloquently: "I mistrust reformers. When a man or group asks for power to do good, my impulse is to say, 'oh, yeah, who ever wanted power for any other reason? And what have they done when they got it?' So I instinctively want to cancel the last three words, leaving simply 'I want power'; that is easy to believe. And a further confession: I am reluctant to believe in doing good with power anyhow" (p. 390).

Knight has thus, by a circuitous route, returned us to a location near the free market: how near, I should not care to hazard a guess. If the journey has taken some unneeded detours, it remains a valuable one that teaches us much—in part by opposition. ✦

The Quantitative Delusion

Economics and the Good Life: Essays on Political Economy

Bertrand de Jouvenel
Edited by Dennis Hale and
Marc Landy
Transaction, 1999, ix + 308 pgs.

Many people have wondered why modern intellectuals hate capitalism. In "The Treatment

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of Capitalism by Continental Intellectuals," one of the essays included in Professors Hale's and Landy's excellent collection, Bertrand de Jouvenel asks a more original question: why should we trust intellectuals? On historical grounds, de Jouvenel tells us, they should be viewed with suspicion.

Contemporary intellectuals who oppose capitalism profess their concern for the poor and downtrodden. But no necessary connection binds intellectuals to the poor. Beginning in late medieval times, secular intellectuals attacked the Church for "wasting" money on the poor. "During the Middle Ages the church had amassed immense wealth from pious gifts and foundations for charitable purposes. From the Renaissance to the eighteenth century these accumulations were returned to private possession through far-reaching confiscation. In this process the intellectuals played a major role. The lay intellectuals took little account of the social needs fulfilled by the institutions they sought to destroy. Beggars should be rounded up and led to forced labor; this was the great remedy" (pp. 145–46).

But has not de Jouvenel here fallen into fallacy? Why should the willingness of intellectuals hundreds of years ago to push the poor aside have any bearing on their present proclivities? Do they not declare in fervent tones their devotion to the least well-off?

De Jouvenel does not deny this, but he locates a common pattern of thought in today's intellectuals and their early modern precursors. Intellectuals, our author maintains, tend to reduce all values to quantity. Whatever does not fit their preconceived schemes of measurement must be swept away. Early modern writers thought that the poor blocked the growth of efficiency: hence they were dispensable. Contemporary intellectuals view the poor otherwise, but the quest for quantitative reduction continues.

In a brilliant critique, de Jouvenel shows that modern welfare economics has been infected by the quantitative delusion. A society should be judged, welfare economists contend, by the extent to which it maximizes individual satisfactions. But of course we cannot in practice compare the satisfactions of one person with those of another. Is welfare economics then doomed? (Attempts to avoid the problem, e.g., through appeal to the Pareto criterion, have only very limited use in practice.) Here the quantitative temptation proves too strong for many economists.

Why should the willingness of intellectuals hundreds of years ago to push the poor aside have any bearing on their present proclivities?

Since we cannot directly assess satisfaction, why not use money as a

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proxy for utility? To increase a society's wealth more than any available alternative becomes the goal of policy. (In sketching this view, de Jouvenel anticipated the precise position advanced by Richard Posner, of "law and economics" fame, in his voluminous works.)

Our author finds this position deeply mistaken. Not all goods can be measured in money. "Let me first attend to the drawback of emphasizing those services obtained from money as against those which are not. Anything people are willing to pay for is an addition to welfare. And things are contributions to welfare only in such proportion as people do pay for them. . . . Those things which are free, such as an excellent climate, are not counted and do not figure . . . while the production of waterproofs in the country in which they are necessary does figure in welfare" (p. 29).

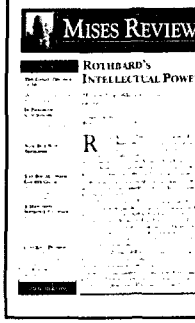
The last sentence of the passage just quoted indicates another way in which de Jouvenel thinks the monetary criterion inadequate. If people spend money to correct a problem in order to restore themselves to the *status quo ante*, the funds spent count as additions to welfare. But is this not absurd?

A situation in which people do not have a problem requiring correction counts as worse than one that does. "For instance in a country where people are very careful that no fires break out few firemen are needed. Stupid pictures now induce an outbreak of arson . . . but the fires which break out now call for a vast increase in the number of firemen and the fire machinery: this is also an increase in welfare. Thus an evil and its correction bringing things back to the former situation both come out as additions to welfare" (p. 29).

Libertarians may at this point be inclined to object, but de Jouvenel shows himself well prepared to meet the line of attack they are likely to pursue. Is not de Jouvenel merely attempting to substitute his preferences for those of free actors in the market? Who is he to say that people should prefer trips to the Parthenon to the "stupid pictures" on which they choose to spend their money?

De Jouvenel thinks this objection has considerable weight: "It is fully in keeping with our ideas of freedom that the position of individuals is improved every time they willingly alter it: doing the best for themselves in their behavioral world" (p. 31).

Has not de Jouvenel here painted himself into a corner? He first criticized the monetary criterion for its failure to consider certain classes of goods. But, in response to the counter that he wishes to interfere with individual



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choice, he admits that persons act to maximize their welfare as they see it. How can he maintain both those positions?

Exactly at this point lies the seminal insight of de Jouvenel's essay, and here he converges with the central thrust of Murray Rothbard's "Toward a Reconstruction of Utility and Welfare Economics." If by welfare we mean individual choice, nothing beyond the actions of free individuals counts. If one challenges these preferences, one has shifted to a new notion of welfare. Thus (and here at last is the point) the "choices" of the State cannot be assessed by the criteria used in individualist welfare economics.

By a masterly feat of creative destruction, statist welfare economics has been reduced to rags and tatters.

De Jouvenel is a master of the example that clarifies a difficult concept. Suppose that a "society spends so much on education. Now its government deems this not enough and increases expenditure on education, obviously through taxes. The previously ideal distribution of resources is thereby *distorted*. . . . If we adhere to the subjectivist conception of welfare, we must maintain that welfare has decreased. Consumers have been moved away from their chosen position" (p. 32).

Thus, de Jouvenel and Rothbard are in perfect accord. The coercive acts of government do not increase welfare. By a masterly feat of creative destruction, statist welfare economics has been reduced to rags and tatters.

Have I not, though, left out a vital point of difference? De Jouvenel allows, while Rothbard does not, certain acts of state intervention. Rothbard argues that since state action does not increase welfare, it should be curtailed; de Jouvenel's point is rather that other criteria than individual welfare maximization must be used to judge state policy.

Though I think that this objection misreads Rothbard's essay, it calls attention to something that is true enough: de Jouvenel, unlike Rothbard, was not a libertarian of the strict observance. In practice, though, he raises trenchant criticisms of government intervention in the economy.

If, from de Jouvenel's point of view, the free choices of individuals can be called "good" or "bad" from some standpoint not their own, it does not follow that the *State* is a fit agent to operate by these criteria. As an example of state ineptitude, de Jouvenel cites the French policy of rent control in the years after World War II.

Because the French government thought that workers needed cheap

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housing, a severe system of rent control was imposed. In 1948, "a dollar a month will pay a wage earner's rent in Paris" (p. 157). The result will be no surprise to any student of elementary economics: "rents are very low but there are no lodgings available" (p. 159).

Here I confess I have a trick up my sleeve. I anticipate this comment: "Of course, de Jouvenel is right about rent control. But why make such a fuss over so obvious an issue? What is supposed to be the remarkable display of insight?"

I have, I fear, so far concealed de Jouvenel's most important argument about the rent control case. De Jouvenel notes not only the bad effects of rent control, but also that everyone realized these bad effects. Why, then, did the program continue? In part, the answer is obvious: special interest groups favored it.

But de Jouvenel adduces another factor. Although legislators knew that the existing situation was deplorable, they feared the effects of an immediate return to the free market. Instead, they followed a gradualist path that did very little good. "No systematic view inspired this policy. It just grew from the fear of a sudden return to liberty which seemed ever more dangerous as prices rose" (p. 161).

Lacking the courage to trust the market, the policymakers were doomed to futility and drift.

Many people understand what is wrong with rent control and similar misguided measures; but few possess de Jouvenel's willingness to accept the consequences of what they grasp in theory: the government programs must be immediately ended. For his clear view of this point, and for his penetrating criticism of applying welfare economic criteria to the state, de Jouvenel deserves the attention of everyone interested in Austrian economics. ✦

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Adams's Stunning Achievement

When in the Course of Human Events: Arguing the Case for Southern Secession

Charles Adams
Rowman and Littlefield, 2000
xiv + 257 pgs.

Charles Adams manifests in this excellent book a rare talent—he asks intelligent historical questions. Many today portray the Civil War as a struggle to end slavery. Given the manifest injustice of Negro slavery, was not Lincoln justified in opposing Southern secession by all-out war? Arthur Schlesinger, Jr., in a once-famous essay, went so far as to compare Lincoln's crusade with the struggle against the Axis Powers in World War II.

Our author poses a simple question. How can one maintain this interpretation in the face of some obvious facts? First, if the Southern states seceded in order to preserve their "peculiar institution," did they not follow a self-evidently foolish course? Mr. Adams points out that secession, even if peacefully accepted by the North, made slavery more precarious: "Under the protection of the Constitution and the Supreme Court, the entire nation was one gigantic prison from which the fugitive slave could not escape, which explains why the so-called underground railroad ended up in Canada. . . . To protect their slave property, staying in the Union was the wiser course to take" (p. 75).

But, it may be countered; did not Southerners fear that Lincoln intended, if he could, to end slavery? No doubt the South mistrusted Lincoln, but given Southern power in Congress, the president could do little. Further, "Lincoln said in his inaugural address that he would enforce the fugitive slave laws, hardly the philosophy of an abolitionist" (p. 75).

Mr. Adams also rejects a more sophisticated version of the "rebellion to defend slavery" approach. Even if Lincoln intended no immediate strike at slavery, the South faced danger. If slavery were excluded from the territories, as the Republicans wished, eventually enough free states might have been admitted into the Union to abolish slavery outright.

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Our author finds this argument no more convincing than the "immediate danger" view. Few of the territories offered fertile ground for slavery; and in any event, the *Dred Scott* decision was still the law of the land. Chief Justice Taney's decision denied Congress the power to prevent slaveowners from taking their slaves into free territory. How then could the Republicans exclude slavery from the territories, even if they wished to do so? Mr. Adams tersely remarks: "Even the territorial issue was a nonissue" (p. 4).

Here I am not altogether sure that Mr. Adams is right. Could not a defender of the sophisticated slavery view say that Mr. Adams's contention that little room existed in the territories for slavery supports his case? If the new territories entered the Union as free states, did this not pose a danger? And, as J.G. Hamilton argued some seventy years ago in the *American Historical Review*, did not this prospect in fact disturb many in the South?

Our author has a strong response to this objection. Any prospect of a new majority of free states swamping the South was very far in the future. How could so speculative a threat suffice to explain the drastic step of secession? Mr. Adams's argument becomes even stronger when one examines his alternative analysis of the reasons for secession.

It comes as no surprise that the author of *Those Dirty Rotten Taxes* finds the key to the mystery in financial affairs. The Southern states favored a regime of free trade: this would enable them to benefit to the greatest extent possible from their cotton exports. By contrast, many in the North favored high tariffs to help local industries.

Because of high tariffs, the South was burdened to benefit the North, a situation hardly likely to promote amicable relations. And, by contrast with slavery, here was an issue on which Lincoln would not compromise. Mr. Adams shows, by a careful analysis of

How could so speculative a threat suffice to explain the drastic step of secession?

Lincoln's First Inaugural, that behind the conciliatory rhetoric lay a design of adamantine strength.

Lincoln was determined, come what may, to collect tariffs from the ports of the seceding states. "Lincoln's inaugural address on 4 March 1861, certainly set the stage for war, and most of the South saw it that way. It sounded conciliatory . . . [but] he would, however, use federal power to hold federal property (the forts) and 'to collect the duties and impost; *but beyond what may be necessary for these objects*, there will be no invasion.' Southerners immediately saw the meaning behind Lincoln's words" (p. 22, emphasis added).

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In support of his thesis, Mr. Adams makes effective use of numerous contemporary newspapers, both Northern and Southern. He also draws from the important 1941 study of Philip Foner, *The New York Merchants and the Irrepressible Conflict*. Of this book, which he terms "remarkable," Mr. Adams writes: "If money makes the world go around (private sector) and is the heart of war and the blood of governments (public sector), then the Foner book explains more about the Civil War than any other study" (p. 242).

The arguments in favor of the "tariff war" thesis were well-known to contemporaries, both in America and abroad. The British press was not deceived by Lincolnian rhetoric, and Mr. Adams reprints a number of British cartoons that amply showed "the follies and falsehoods of the war" (p. 97).

But the very obviousness of Mr. Adams's interpretation raises a problem. If the true causes of the war were that apparent to contemporaries, how did the competing "war for slavery" thesis ever secure a following? Mr. Adams traces the popularity of this mistaken hypothesis to a vigorous but sophistical article by John Stuart Mill.

Mill met head-on the main argument against the slavery thesis, precisely the point our author emphasizes so forcefully. How can the desire to preserve slavery have led to secession, if slavery was not at risk in 1861? Mill answered with a fanciful conspiracy. "He thought he saw that the Southerners wanted to turn the whole world, especially the continents of North and South America and the Caribbean, into one vast 'slavocracy'" (p. 92).

Mr. Adams, as usual displaying his ability to confront a theory with an embarrassing fact, notes that the Confederate constitution expressly prohibited the slave trade. Mill's thesis, he contends, is "utter nonsense" (p. 94). Our author prefers the analysis of Charles Dickens, who maintained that "the quarrel between North and South is, as it stands, solely a fiscal quarrel" (p. 95).

Once more, Mr. Adams stands ready to puncture illusion with inconvenient fact.

But even if the war did not begin over slavery, did it not quickly become a battle for liberty? Once more, Mr. Adams stands ready to puncture illusion with inconvenient fact. Lincoln, far from being a paladin of freedom, arrogated to himself dictatorial powers and suppressed those who dared to dissent.

Lincoln on his own authority suspended the writ of *habeas corpus*; at his direction, civilians suspected of *lèse-majesté* were arrested by the military. When Chief Justice Taney held in *Ex parte Merryman* that Lincoln had acted

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unconstitutionally in suspending the writ, Lincoln responded as Nero or Caligula might have done. Not only did he ignore Taney's ruling, he determined to have the Chief Justice himself arrested and imprisoned. (Fortunately, the arrest order was never served.)

Our author's forthright condemnation of Lincoln in this matter may be usefully contrasted with the comments of Allen Guelzo in his recent exercise in hagiography, *Abraham Lincoln: Redeemer President* (Eerdmans, 1999). Professor Guelzo finds Taney's resolute defense of liberty "ridiculous"; it expressed "tedious Jacksonian constitutionalism" (Guelzo, pp. 281, 283). (Fittingly, Mr. Guelzo's tome is dedicated to Jack Kemp.)

Can we not, though, credit Lincoln for at least one highly beneficial outcome? As a result of the war, slavery came to an end. Even if Lincoln would have maintained the *status quo* to keep the Union together, does he not deserve credit for his later role as the Great Emancipator?

Suffice it to say that Mr. Adams touches nothing that he does not illuminate.

As always, Mr. Adams has at hand an observation of devastating effect. Much Northern opposition to slavery stemmed from what he terms "Negrophobia." Lincoln, like most people from his region, did not like slavery and did not like blacks. "Like Jefferson, Lincoln did not believe in racial mixing, not in the ability of the races to live with one another in harmony. The solution? Expulsion" (p. 132).

I have had to leave out much of interest in Mr. Adams's outstanding work, e.g., his account of Fort Sumter and his discussion of Reconstruction. Suffice it to say that Mr. Adams touches nothing that he does not illuminate. ✦

In Defense of Unjust War

Vietnam: The Necessary War. A Reinterpretation of America's Most Disastrous Military Conflict

Michael Lind
The Free Press, 1999, xix + 314 pgs.

Almost everyone today thinks that America's war in Vietnam was a mistake. Whether leftists who revere Uncle Ho, rightwing hawks who regret that America was not allowed to win, or noninterventionists who think Vietnam not worth the bones of a single American soldier, all converge on a common conclusion. Given the conditions

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of limited war under which we were constrained to fight, America should have stayed out.

Mr. Lind dissents. To him, Lyndon Johnson was a veritable Sir Lancelot, bravely defending the cause of freedom. After World War II, Soviet Russia, aided by China, embarked on an ambitious program of worldwide expansion. The creation of as many communist regimes as possible was the order of the day, for reasons both of ideology and power politics.

But an obstacle confronted Stalin and his successors. Owing to the abundant stock of atomic weapons possessed by the United States, the Soviets shrank from a direct military assault on Europe. An analogous constraint prevented a resolute strategy to "rollback" Communism, in the style of James Burnham and Stefan Possony. As Mr. Lind explains: "Because the threat of nuclear escalation prevented all-out conventional war between the superpowers, the Soviet–American contest was fought in the form of arms races, covert action, ideological campaigns, economic embargoes, and proxy wars in peripheral areas. In three of these—Korea, Indochina, and Afghanistan—one of the two superpowers sent hundreds of thousands of its own troops into battle against clients of the other side" (p. 4).

The question at once arises: why should the United States have engaged in proxy wars of the type indicated? Did this not violate the traditional policy of nonintervention, urged by Washington in the Farewell Address? If isolation is abandoned, do we not fall into Wilsonian dreams of spreading to the world by fire and sword the blessings of democracy?

Mr. Lind thinks not. He is no starry-eyed Wilsonian, he tells us. Quite the contrary, he declares himself a hardheaded realist. But how can that be? Does not a realistic foreign policy counsel that force be used only in defense of strictly limited interests, with careful attention to risks and costs? Small wonder that the leading exponents of realism at the time, Walter Lippmann, George Kennan, and Hans Morgenthau, opposed the Kennedy–Johnson installment-plan war. How can Lind defend involvement in so peripheral an area as Vietnam to American interests while remaining a realist in good standing?

Our author replies with a distinction. Realists of the Morgenthau–Kennan stripe were minimalists. "According to minimal realism, any state that seeks to accumulate too much power will more or less automatically provoke a balancing coalition of other states seeking to check the expansion of its influence. It follows that a great power can lose many peripheral struggles with little or no danger to its reputation as a great power" (p. 50).

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Our author readily acknowledges that on minimal realist premises, the case for American intervention in Vietnam lacked substance. But a better variety of realism dictates quite other conclusions. "Maximal realists . . . stress the extent to which the world of interstate politics is organized as a hierarchy of power and function . . . [they] believe that it is not only possible, but likely that a single superpower or great-power alliance will dominate the hierarchical, specialized global system" (pp. 50–51).

Mr. Lind's argument, in brief, is this. If an aggressive power like Soviet Russia is left to proceed unchecked, other powers will bandwagon to its side. Far from joining forces to balance the hegemonic state, as minimalists fondly hope, the state system will accommodate itself to its new master.

Given an aggressively-minded Communist bloc, what was the United States to do? Nations inclined to favor the United States must firmly believe that if the United States promises to come to their aid in defense against Soviet-sponsored incursions, it will back up its commitment with force. Credibility, for Mr. Lind, is the be-all and end-all of an apt foreign policy.

Our author has anticipated an objection to his argument. Supposing the bandwagon effect operates in just the way sketched out. Why need this pose any danger to the United States? Mr. Lind answers: "A world dominated by Nazi Germany or by the Soviet Union . . . would have been a world that reflected Nazi or Soviet preferences in the rules of world order—rules of war, diplomacy, trade, citizenship, and so on. Because the winner would write the rules for the world, for a generation or longer, World War II and the cold war were not ordinary great-power conflicts, but hegemonic wars, in which the very character and future of world civilization were at stake" (p. 223).

For Mr. Lind, areas of the world become important because they occasion conflict: they need not be important in themselves to justify conflict.

One point in Mr. Lind's argument so strikes at common opinion that it deserves reiteration. He does not argue that because Vietnam held intrinsic strategic significance for the United States, the area had to be defended by force. Quite the contrary, he acknowledges: "Why was it [Vietnam] of strategic importance? The answer has less to do with sea lanes than with symbolism" (p. 62). For Mr. Lind, areas of the world become important because they occasion conflict: they need not be important in themselves to justify conflict.

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What are we to make of all this? Suppose (as I am sure our author will grant), that the chief factual premise of the argument is correct. If the United States had declined to prosecute the cold war, the bandwagon effect would have led to Soviet dominance of the international system. Certainly, this is not an appealing prospect; but even in such circumstances, America's geographic position and nuclear arsenal rendered us invulnerable to Soviet assault. Nor is it likely that our foreign trade could be cut off: for the Soviets to attempt this would deprive them of resources vital to their own economy.

And this raises a more telling point. Even those who think Soviet hegemony in the international system sufficiently bad to justify war need to ask themselves a key question. Given the weakness of socialism as a method of economic organization, were the Soviets in any position to maintain world hegemony? Does not Mises's socialist calculation argument suffice to show that no scheme of Soviet world dominance could work?

But, you may say, suppose the Soviets shifted to capitalism. Could they not threaten us with a hegemonic nonsocialist system? In such a case, though, the ideological imperative that Mr. Lind uses to ground his case that the Soviets sought world dominance collapses. Absent Marxist–Leninist fanaticism, is not Russia simply an ordinary state?

Mr. Lind nowhere addresses Mises's argument directly, but one passage indicates his likely response. He suggests that plunder from conquered countries would enable the Soviets to keep their empire indefinitely intact. "In fact, conquest can be profitable, if the costs of repressing the conquered are outweighed by the additions to the resource base of the conqueror" (p. 53). But how long could this expedient last? Eventually, a socialist system must collapse into chaos.

Does not Mises's socialist calculation argument suffice to show that no scheme of Soviet world dominance could work?

Mr. Lind's attempt to show that the United States faced disaster unless it engaged in "proxy wars" thus fails. And in any case we have so far conceded to him too much. If a nation makes commitments it does not keep, it will lose credibility. With this precious asset in tatters, other nations will bandwagon to the opposition. So runs his argument, but is there not a glaring problem in its logic?

The bad consequences that the argument foresees arise only if we make commitments in the first place. If we do not, we display no weakness and forfeit no credibility. Could not an America without foreign entanglements

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credibly threaten prospective invaders with retaliation?

Mr. Lind might reply with an endeavor to separate the credibility and bandwagon strands of his case. Even if the United States made no foreign commitments, and thus lost no credibility, would not countries be apt to join ranks with an aggressive Soviet Union?

But why would they? The whole "bandwagon effect" is a mere theory devised by Mr. Lind's maximal realists. The examples given in its support (e.g., British foreign policy in the 1930s) gain their force through invoking lost credibility. Without this, the argument rests on nothing.

We may I think go further. Imagine that you were the foreign minister of a medium-sized country right after US withdrawal under Richard Nixon from Vietnam. Given the loss of life in Vietnam, and the attendant physical destruction of the country, in which of these two ways would you reason? "I don't want my country to be destroyed! I had better distance myself as far as possible from the United States"; or, "Wonderful! Considering the years of struggle the US exerted in Vietnam, I know that a commitment from it cannot be broken. Of course, the US did withdraw, and South Vietnam fell to Communism. But as Michael Lind has explained in his great book, this is the best that could be done, given the constraints of American domestic politics. I shall break down the door to ally with the US!" The choice is yours. ✦

Consumed by Argument?

The Trouble With Principle

Stanley Fish
Harvard University Press, 1999
328 pgs.

I expected to dislike this book. Stanley Fish, the author of distinguished books on Milton and George Herbert, long ago found the world of literary scholarship too confining. He obtained a law degree and frequently comments on public affairs, usually from a leftist point of view.

With characteristic open-mindedness, I have abandoned the prejudice I brought to the book.

With characteristic open-mindedness, I have abandoned the prejudice I brought to the book. It is impossible to dislike someone who writes: "As far as I am concerned, any positive reference to Habermas in the course of an

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argument is enough to invalidate it" (p. 122).

Mr. Fish, it turns out, has gotten hold of an important truth, but he in part mistakes his target. He correctly sees that many influential political philosophers, including Rawls, Nagel, and Dworkin, pursue a mistaken project. They aim to establish "neutral" principles: no one, it is alleged, regardless of his religious or philosophical commitments, could rationally reject these principles.

Fish contends that these allegedly neutral deliverances of pure reason are in fact biased against religion and nonliberal opinions. In fact, he holds, the principles mask their advocates' own political views. He counters the "neutralists" with his own contextual view of reason. Fish seems to me largely correct in what he attacks, but wrong in what he defends.

We can best see what Fish means by a neutral principle by considering his criticism of Thomas Nagel's impartiality argument. Suppose that you hold certain religious beliefs of a kind unfashionable at Harvard, Princeton, and Yale. You believe that all those who do not rightly profess the faith delivered unto the saints are condemned to everlasting perdition. Do you have grounds for imposing your beliefs on others? According to Nagel, you do not.

If you step back from your beliefs, you will recognize that others in society are equally committed to competing beliefs. Occupying what Nagel terms "the view from nowhere," you recognize that your commitments are no more (or less) important than those of anyone else. That being so, you have no justification for acting on the basis of your religion to impose restrictions on others.

Fish locates the fatal misstep in Nagel's argument. "Deferring to a higher order impartiality is not to constrain or bracket 'your own beliefs' . . . but to enact them; it is to testify to the truth, as you see it. The so-called higher order impartiality is anything but impartial. . . . It is our notion of the good, as contestable as any other" (p. 182).

Fish seems to me largely correct in what he attacks, but wrong in what he defends.

Our author has here made an important contribution to contemporary political theory, but he misjudges what he has done. He has shown that certain very influential attempts to derive principles that everyone should rationally accept fail of their purpose. Why, e.g., should our imagined religious believer allow the impartial "view from nowhere" to take precedence over his faith?

But Fish generalizes too fast. It does not follow from the failure of Nagel's project, or of Rawls's, that any attempt to derive universal principles of reason

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must fail. Our professed contextualist here himself neglects the context of what he has done.

Fish would, I think, reply to my argument by saying that his objections to Nagel and like-minded theorists can validly be generalized. All arguments depend on presuppositions that cannot be further supported. "[E]vidence is never independent in the sense of being immediately apprehensible; evidence comes into view (or doesn't) in the light of some first premise or 'essential axiom' that cannot itself be put to the test because the protocols of testing are established by its presumed authority. This is not to debunk rationality in favor of faith but to say that . . . you can't have one without the other" (p. 255). (The argument is attributed to Stephen Carter but is clearly endorsed by Fish.)

This argument is vulnerable to a familiar move. It claims that all truth is relative to one's presuppositions. But if it is true, then it is true only relative to some presupposition. What is it? And what happens if we do not adopt it? Fish's argument has become a "self-consuming artifact."

Fish makes a few other dubious philosophical claims. In what way is accepting that two plus two equals four "like adhering to the convention that we drive on the right side of the road" (p. 270)? Could we, if so minded, adopt a different convention? The point that we do not hold our beliefs voluntarily does not support Fish's claim "that beliefs emerge historically and in relation to the other beliefs that are already in the content of our consciousness" (p. 284). The nonvoluntary nature of belief is consistent with the most extreme rationalism. (Incidentally, if we do not choose our beliefs, how is two plus two equals four a convention?)

Unusually for me, I do not wish to stress Fish's mistakes. His achievement in this book far outweighs them. Influential philosophers have tried to exclude religious and other unfashionable views from influence on policy. We are told that if, for example, you take the Bible to forbid abortion, you cannot use your belief when you are deciding questions governed by "public reason." Fish has shown that these philosophers give us no good grounds to abandon our beliefs when we enter the public square. And he does so with a skill at the analysis of philosophical rhetoric that recalls William Empson. For this he deserves our gratitude. ✦

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The Fallacies of Voegelian Antiliberalism

Published Essays, 1953–1965: The Collected Works of Eric Voegelin, Volume 11

Edited by Ellis Sandoz
University of Missouri Press, 2000
lx + 273 pgs.

Among many American conservatives, Eric Voegelin ranks as one of the greatest philosophers of the twentieth century. Even the merest glance at the present selection of his essays suffices to show the qualities that impressed, among others, Russell Kirk and M.E. Bradford. For one thing, Voegelin's erudition staggers belief.

In the present work, e.g., Voegelin comments on gnostic elements in the Gospel of John, Henri Bergson's notion of an open society (far different from Karl Popper's), Maurice Hauriou's theory of institutions, and R.G. Collingwood's Manichaean philosophy of history. One would, I think have to go back to A.E. Taylor and Etienne Gilson to find philosophical scholars who matched his learning.

Given his impressive achievements, the question arises: Is Voegelin a writer whom classical liberals should view as a master thinker? At times he makes comments very much in line with Mises, whose seminar in Vienna he attended. He fully grasps, as few of his contemporaries did, that increases in wages depend on rises in productivity. Often technological developments make labor more efficient, and workers under capitalism benefit from what they do not directly cause: "Above all there was posed the basic issue as to what right labor could have to claim a proportionally equal share of yearly profits from the increases in productivity. This is because the production increases in single industries depend on the society's overall state of technology. Why the profits from these entrepreneurial achievements should accrue to labor in this or that firm, or why they should not be translated into price decreases (which would benefit all consumers) is not altogether clear" (p. 210).

Voegelin holds no illusions, either, about the motives of government bureaucrats.

Voegelin holds no illusions, either, about the motives of government bureaucrats. They do not selflessly devote themselves to the public interest: quite the contrary, they are the playthings of special interest groups. He trenchantly remarks: "Wherever

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Unfortunately, Voegelin by no means benefitted to the maximum extent from Mises's seminar.

we undergo the coercive division of the federal budget into subsidies, we could assemble lists of profiteers and parasitic existences on which probably every sizable group in German industrial society would have its own representatives" (p. 214). Voegelin here speaks of Germany in the 1960s, but he clearly wishes his point to apply more generally.

Unfortunately, Voegelin by no means benefitted to the maximum extent from Mises's seminar. He opposes "dogmatic" adherence to laissez-faire, since the economic model on which classical liberalism was based has collapsed. "When society differentiated into capitalist and worker, the model of the society of free, equal citizens was overtaken by a reality that pressed toward the crisis of class struggle. There arose the social–ethical problematic, which after long political struggles led to the massive introduction of socialist elements into the liberal economic structure" (p. 96).

Voegelin neither supports these socialist measures uncritically nor opposes them root-and-branch. He, for one, is no ideologist, he is anxious to inform us. He has learned from Aristotle that, in political affairs, general principles do not dictate concrete policies. Prudence must be our guide: a fixed rule, e.g., "no governmental interference in the economy," violates Aristotelian wisdom.

But am I not, as usual, being unfair? Voegelin was not an economist. Why then judge him by whether his opinions on economic topics always conform to Misesian orthodoxy? To do so seems to be an example of the ideological dogmatism our author combatted so valiantly. Should he not be assessed in accord with his true *métier*, that of a philosopher who sees far beyond the superficialities of lesser minds?

But here is where the real trouble starts. When Voegelin addresses the ideas of classical liberalism, his capacious mind draws a blank. He misconceives the doctrines and personalities of nineteenth-century liberalism in a bizarre way.

Two examples must here suffice. The great French liberal Charles Comte wrote of a "permanent revolution." The institutions of society never perfectly meet ideal requirements. Hence they stand always subject to reform, by peaceful means. What could be more harmless?

To Voegelin, Comte's phrase manifests a revolutionary ardor to overturn the order of being. Comte's view denies that the world and the human beings who inhabit it are composed of fixed essences. As such, it stands in the same line as Leon Trotsky's doctrine of permanent revolution. "Charles Comte's idea that the goal of the revolution could

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be achieved through a constant process of reform, without the unpleasant side effects, belongs in the gnostic–utopian class. Liberalism too is a part of the revolutionary movement that lives to the extent that it moves. From Charles Comte to Trotsky there runs a line of

What has peaceful change aimed at a free economy to do with a world revolutionary plan to abolish capitalism?

growing insight that the reform movement, to which liberalism also belongs, is a unique state of affairs insofar as its final goal cannot be actualized" (p. 89).

What nonsense! Voegelin, by playing fast-and-loose with terms such as "gnostic derailment" has lumped two diametrically opposed political programs into one revolutionary movement. What has peaceful change aimed at a free economy to do with a world revolutionary plan to abolish capitalism? Does it not make more sense to see Comte's idea of reform as an instance of precisely the Aristotelian prudence our author is so concerned elsewhere to celebrate?

But it gets worse. The great German liberal Wilhelm von Humboldt fervently championed individual freedom. His stress on the creative powers of persons left free by the state famously inspired John Stuart Mill, who quotes Humboldt in *On Liberty*. To Voegelin, though, things are not as they seem. Humboldt, one of the founders of the University of Berlin, wanted students to cultivate their humanity rather than receive tutelage in state administration. As such, was he not a precursor of the Nazis?

Surely, you may think, I have gone too far in my exercise in caricature. No one could possibly say what I have attributed to Voegelin. But, as always, I am a sober voice of moderation. "Humboldt expressly expounded the antithesis between the political citizen of the ancient polls and the apolitical citizens of the constitutional government of his times. In his educational ideal he decided for the second type. In this special idea there is scarcely a trace of the Platonic conception of education as the art of *periagoge* [turning around] toward the goal of spiritual order of man and of society. In contrast, if you draw out the lines of this idea there is sketched out for us in its results the political–spiritual vacuum of a nation in which unfortunate things like National Socialism could be spawned" (p. 219).

Contained within this passage is the key to Voegelin's thought and, not by accident, the reason friends of freedom should steer clear of him. As Voegelin sees matters, man exists in tension between the ordinary world and the Divine Ground. If you ask what this means, I am afraid that you do not grasp the point.

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Knowledge of the order of being cannot be stated in ordinary sentences: to think otherwise is to be guilty of what Voegelin terms a "fundamentalist fallacy." On the contrary, we can only symbolize the Higher Things. These endeavors are based on the mystical experiences of certain persons whose spiritual development has world-historical importance. (Voegelian himself, one is given to understand in *Anamnesis*, is a mystic of some standing.)

Now comes what for our purposes is the vital issue. The leaders of the state must somehow represent the order of being by the way they organize society. People must not be left to their own devices, as classical liberals mistakenly think. An elite of true philosophers must, on the contrary, organize society so that Platonic education of the soul may take place.

When Voegelin ascends to his Olympian heights, he neglects his insight.

Thus, our author views with great sympathy the contention of the French legal philosopher Maurice Hauriou that a society must be organized according to a directing idea (*idée directrice*) imagined by an elite. Hauriou erred, however, in failing to see that the elite should not pluck the directing idea from their imaginations. They need instead (you will have guessed) to consult the Divine Ground through mystical participation.

Here danger threatens. Some political and religious movements fail to realize that the Divine Ground can be conceptually grasped only in symbols. They try to build a divine society on earth: in so doing, they seek to derail the order of being. These attempts to, in a famous phrase, "immanentize the eschaton," lead quickly to disaster.

These misguided movements need by no means be explicitly religious. Quite the contrary, Marxism, National Socialism, and classical liberalism all pervert, in their various ways, spiritual symbols to purely mundane ends.

I shrink from the broad and ambitious task of evaluation of Voegelin's philosophy. Even the lesser labor of translation into clear English eludes me. But one glaring weakness in the edifice must at once strike the attentive reader. Even if mystics grasp an incommunicable Divine Ground that they can at best symbolize, why need this have anything to do with the state? In what way is a monopoly apparatus of coercion suited to represent the order of being? When Voegelin ascends to his Olympian heights, he neglects his insight, earlier quoted, concerning the malign pressures of special interest groups on the state. Is the corrupt plaything of pressure groups a fit agency to represent Divine order?

As to the mystical philosophy itself, readers must consult Voegelin's extended account in *Anamnesis* and volumes 4 and 5 of *Order and History*

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and judge for themselves. I permit myself one observation. Although Voegelin describes with elaborate care the "differentiation in being" achieved by Judaism and Christianity, he presents what to my mind is a distorted account of these religions. His convoluted exposition of mystical participation falls within the appeal to the "religious genius" memorably condemned by Karl Barth in his commentary on *Romans*. One wonders whether, to Voegelin, the God of whom he so often speaks is a personal being at all. R.J. Rushdony hit the nail on the head when he characterized Voegelin as himself a gnostic. Readers may profit greatly from Voegelin's learning, but those in search of philosophical or political wisdom had best proceed with caution. ✦

INTERPRETING FREUD'S DREAMS

Freud and the Question of Pseudoscience

FRANK CIOFFI
OPEN COURT, 1998, IX + 313 PGS.

The validity of Freud's theories seems at first sight far removed from the usual concerns of *The Mises Review*. In fact, it is not. Freud mounted a strong attack on morality and tradition. If, as Freud believed, conscience arises through irrational and bizarre unconscious processes, what grounds have we to pay heed to its dictates?

Why respect the rights of others, if moral obligation results from repression?

Why respect the rights of others, if moral obligation results from repression? But, it may be said, does not our series of questions rest on a common mistake? Freud's account of the genesis of morality did not aim to alter or abolish it. Quite the contrary, Freud strictly confined himself to science. Unlike Marx, he aimed to understand the world, not to change it.

As Frank Cioffi shows in his devastating criticism of Freud, this is but one of many myths propagated by the Master or his acolytes. In fact, Freud sometimes *did* preach the "sexual liberation" that popular belief associates with his name. In his 1910 paper "Wild Psychoanalysis," Freud did not unequivocally, as the psychoanalyst Nathan Hale[!] avers, "issue a warning against wild psychoanalysis—the prescription of sexual intercourse for the relief of neurosis" (p. 41, quoting Hale). Freud said in that very paper that "the advice to seek sexual gratification 'often . . . led to good results'" (p. 41, quoting Freud).

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Those who fear (or hope) that Freud wished to undermine traditional morality, then, are not altogether imagining things. And as far as religion is concerned, Freud's revolutionary intent is entirely evident. To him, religious belief is altogether irrational.

Freud condemns religion in strong terms: "If ever there was a case of a lame excuse we have it here. Ignorance is ignorance; no right to believe anything can be derived from it. . . . Where questions of religion are concerned, people are guilty of every possible sort of dishonesty and intellectual misdemeanor" (S. Freud, *The Future of an Illusion*, Norton, 1961, p. 32). He looked forward to a time when people would reject "the fairy tales of religion."

Those favorable to traditional values have every reason to pay careful attention to the claims of psychoanalysis. A preliminary difficulty confronts any attempt to do so. Before we can evaluate psychoanalysis, we must know what it claims. But nowhere does Freud set out clearly the tenets that officially constitute his system of therapy.

Of course, we can consult Freud's books and papers. But should we there locate some enormity, we will be told that it was merely advanced as speculation and is not part of the creed. When Freud tells us in *Moses and Monotheism*, e.g., that the Hebrews of *Exodus* killed the Egyptian Moses, how is this to be taken? Must one accept this farrago in order to be an analyst in good standing?

Professor Cioffi does not solve our problem by providing his own list of canonical Freudian dogmas. He does

The author knows what ails the world and how we may ascend to the secular equivalent of paradise.

however subject to withering criticism an aspect of psychoanalysis universally accepted as central to the theory: the Oedipus complex. According to this part of Freudian doctrine, boys at an early age sexually desire their mothers. Because they fear castration by their fathers as retribution for these wishes, they repress their desires. From their place in the unconscious, the desires that constitute the complex powerfully affect personality development. (And Freud has the gall to call religion a fairy tale!)

Professor Cioffi locates in this theory a crucial weakness. Boys repress their sexual desires, it is claimed, because of fears of castration. But "[c]astration threats are far from universal and when they are made they are not linked to the child's erotic feelings for his mother. So why does he make this connection?" (p. 45). If it is contended that the infant makes the association because he is ashamed of his fantasies, why assume this? "I believe that only two commentators have noted the anachronism involved in imputing to an infant the incest horror which is a product of culture, Voloshinov and G.K. Chesterton" (p. 46).

I think that Cioffi ought to have dealt at this point with claims,

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advanced by sociobiologists like E.O. Wilson, that aversion from incest is innate. But such claims do not help Freud: if the aversion is built into our genes, what need have we of Freud's saga?

Even if we dismiss doubts about the internal coherence of the Oedipus complex, we have so far not been given reason to accept the theory. In part, Freud based the theory on the results of his own self-analysis; but Professor Cioffi finds Freud's account unconvincing.

"At the time when he [Freud] imputed infantile incestuous feelings to himself he was a self-diagnosed hysteric. Might that not be a sufficient explanation of his infantile desire for his mother without the need to invoke a universal incestuous propensity" (p. 45)?

The pattern Cioffi finds in the Oedipus complex, an implausible hypothesis backed up by inadequate evidence, recurs throughout the Freudian edifice. The most basic and general concept in all of psychoanalysis is the unconscious mind. Our author does not reject the notion of the unconscious *in toto*, but he brings to light the bizarre lengths to which Freud carried his theory. For one thing, the unconscious in his view can carry out astonishingly complex feats of reasoning. "Freud freely acknowledged his inferiority to his unconscious in performing arithmetic calculations or aiming accurately. Freud also informs us that apparently clumsy movements can be most cunningly used for sexual purposes. One such which he relates 'was accomplished with the dexterity of a conjuror'" (p. 96).

As if this were not enough, Freud also believed that the unconscious can cause organic illnesses. Because this was eccentric, even by Freud's lax standards, he only hinted at this medical unorthodoxy.

> The problem is that, by Freudian "logic," the theory can only be confirmed, whatever happens.

A Freudian might respond to what has been said thus far that however odd one may find the theory, it is well supported by evidence. But exactly this is what our author is most concerned to deny. Freudian theory is pseudoscientific, Cioffi claims, because whatever occurs is taken to be confirming evidence. If, say, a patient is told that certain behavior manifests his Oedipus complex, he may respond by accepting the interpretation. If so, his agreement is taken as confirmatory. But if the patient rejects the theory, that also counts as evidence for its truth. Here the patient's resistance shows Freud's view correct.

For Cioffi the key point is not that psychoanalysts stick to their theory in the face of falsifying evidence. Often scientists retain a well-confirmed theory that, for the moment, cannot cope with anomalies. Rather, once again, the problem is that, by Freudian "logic,"

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the theory can only be confirmed, whatever happens.

Our author has a yet more extreme complaint against Freud. Much of the fame of psychoanalysis rests on Freud's intricate account of a few famous case histories: Little Hans, Dora, the Rat Man, and the Wolf Man, are, to Freudian adepts, names to conjure with. Professor Cioffi offers strong evidence that Freud deliberately misled his readers about these cases and other matters.

If we cannot trust Freud's honesty and accuracy as an observer, the persuasive force of psychoanalysis evaporates.

One example must here suffice. Freud claims that he arrived at his seduction theory with great reluctance. Only after a number of patients of their own volition told tales of sexual abuse did Freud give the theory credence.

Cioffi is able to show from earlier statements Freud made that he himself suggested the theory to his patients: he did not derive it from them. And if we cannot trust Freud's honesty and accuracy as an observer, the persuasive force of psychoanalysis evaporates. ✦

The Why of World War I

"World War I: The Turning Point"

RALPH RAICO
The Costs of War: America's Pyrrhic Victories
EDITED BY JOHN V. DENSON
SECOND EXPANDED EDITION
TRANSACTION, 1999, XXXII + 535 PGS.

The second edition of this outstanding book includes two new chapters, one of which merits extensive notice. (The other is by myself.) In "World War I: The Turning Point," Ralph Raico brilliantly encapsulates the origins of the Great War, the factors leading to American entry into the conflict, and the deleterious effects of the war on the American economy and polity.

During the 1920s, revisionist historians such as Sidney Fay and Charles Tansill challenged Article 231 of the Treaty of Versailles, which blamed Germany and her allies for the war's outbreak. Owing to their efforts, a moderate revisionist position became the consensus view during the 1930s: none of the major powers desired a European war, and the catastrophe resulted from miscalculation and botched diplomacy.

Since the 1960s, majority opinion among historians has shifted back to the Versailles verdict. Fritz Fischer's 1961 work, *Germany's Grasp for World Power*, has proved especially influential. Raico

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resolutely sets himself against current fashion: "It can be stated with assurance that Fischer and his followers have in no way proven their case" (p. 213).

True enough, the Germans encouraged Austria to deal decisively with Serbia, following the assassination of Archduke Franz Ferdinand. But to accept a local conflict is not to will a European conflagration, and Germany's policies were no more bellicose than those of the Entente powers. "[T]here is no evidence whatsoever that Germany in 1914 deliberately unleashed a European war which it had been preparing for years" (p. 214).

Whoever bore primary responsibility for the European war, one thing was immediately clear. No valid reason existed for the United States to become involved. To do so would fly in the face of the American tradition of noninvolvement in European power politics.

Sentiment in the United States overwhelmingly opposed involvement, and President Wilson accordingly called for neutrality. "This was somewhat disingenuous, considering that his whole administration, except for the poor beleaguered Secretary of State, William Jennings Bryan, was pro-Allied from the start. The President and most of his chief subordinates were dyed-in-the wool Anglophiles" (p. 220).

In line with his pro-British bias, Wilson turned a blind eye to the British hunger blockade of Germany, even though the British often violated America's rights as a neutral power. At the same time, the president was quick to protest German countermeasures to the blockade, especially submarine warfare. Wilson's partisan policy, combined with Germany's persistence in submarine warfare, led to America's entry into the war in April 1917.

Raico makes clear that American participation in the war had disastrous consequences for liberty. "In fact, 'democracy' was already beginning to mean what it means today—of a government legitimized by formal majoritarian processes to dispose at will of the lives, liberty, and property of its subjects" (p. 234). Wilson carried out his work of destruction with his customary sanctimoniousness. He denied that conscription infringed liberty: "it is, rather, selection from a nation which has volunteered in mass" (p. 237, quoting Wilson).

No valid reason existed for the United States to become involved in the European war.

Dr. Raico displays a full mastery of the enormous literature on the war and manifests a fine eye for apt quotation. On one point, I think him unduly severe. When he says that Gavrilo Princip "had just turned twenty" when he shot the Archduke and his wife (p. 210), he makes Princip subject to the death penalty. Princip in fact escaped with a life sentence, since he was only nineteen when he fired the fatal shots. ✦

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